

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Low Income Housing Tax Credit Program

POLICY STATEMENT

USE OF TAX CREDIT IN A COOL CITIES DESIGNATION

The following requirements must be met by any project applying for the Cool Cities holdback of Low Income Housing Tax Credit:

- Applications will be accepted in accordance with the Michigan State Housing Development Authority (MSHDA), Qualified Allocation Plan, under "Funding Rounds and Availability of Credit."
- Applications will **only** be accepted for processing by mail or common carrier.
- When an application is received, it will be reviewed for eligibility to be scored and evaluated. In order to be eligible for scoring and evaluation, certain threshold requirements must be met for all projects. The application must be made on a completed form prescribed by MSHDA, including the mandatory exhibits prescribed below and in the application.
- Due to the large quantity of applications generally submitted, MSHDA will first rank proposals in accordance with the Threshold Requirements, i.e., the proposals either meet or do not meet Threshold with processing of application terminated if Threshold is not met. After threshold determination, proposals will then be evaluated based on the Selection Criteria for each Holdback category. Lower scoring proposals will only be processed further if tax credit ceiling cap remains available after the higher scoring proposals are processed.
- MSHDA may request additional material for clarification purposes, if an otherwise eligible project faces possible rejection because of an oversight. Determinations of correctable, administrative errors are at the sole discretion of MSHDA. Requested materials must be submitted within 5 business days of the date of notification by MSHDA or they will not be allowed to compete in the funding round. Under no circumstances will materials be requested or allowed to be submitted that will change a project's score.

MSHDA will award negative points to those applications with technical errors, incomplete information or documentation, and significant or material inconsistencies found in the application package that impedes processing of the application. One point per technical error, incomplete information or documentation, significant or material inconsistency will be deducted from an applicant's score if MSHDA must notify the applicant of a documentation, information or clarification that must be submitted while reviewing the application. Project applications with more than 6 technical errors, incomplete information or documentation or significant or material inconsistency will not be processed and will not be allowed to compete in the funding round.

- Projects must be located in a designated State of Michigan Cool Cities neighborhood. Contact Cool Cities for boundary information at 517.373.9097.

- All requirements of Michigan's Qualified Allocation Plan must be met.

The Cool Cities program is more than the sum of one housing development; it is a carefully thought out plan that brings a neighborhood together and revitalizes it. The following must be submitted with all applications:

1. Provide a map outlining the entire Cool Cities neighborhood showing where the development is located within the Cool Cities neighborhood boundaries. The map must also outline the Cool Cities neighborhood relative to its:
 - a. Arts and culture;
 - b. Pedestrian-friendly environment/pedestrian activity;
 - c. Residential and commercial density;
 - d. Historic district, if applicable; and
 - e. Recreational opportunities/parks
2. Support from the local unit of government:
 - a. Provide an executed letter of support from the local government on official letterhead that shows support for the project. The letter must be from the highest ranking official in the local government.
3. Provide a letter on official letterhead executed by a representative of the Cool Cities neighborhood (Catalyst grantee) entity verifying that you have discussed the development with him/her. In this correspondence the grantee must outline the following:
 - a. How the development blends with the goals of the Cool Cities neighborhood plan.
 - b. How the development will improve or enhance successful revitalization in the neighborhood.
 - c. The various sources of financing that have been committed within the boundaries of the Cool Cities designation, i.e., federal, state, or local monies, grants, philanthropic donations, conventional financing.

In addition to meeting program requirements to participate in the LIHTC program, final Cool Cities tax credit awards are subject to review and approval of MSHDA's Cool Cities specialist and Cool Cities Neighborhood Champion staff.